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U.S. Department of Agriculture  
Office of the Secretary

In the past year I've had the opportunity to travel to several Northeast states and learn about your agriculture. It is different from my home state of Minnesota, but it is no less important.

I want each of you to know that I consider Northeast agriculture a vital part of America's total food and fiber industry. I am committed to seeing that it receives proper attention by USDA.

Attending this meeting gives me another opportunity to talk to people who believe as I do in the tremendous benefits of cooperatives.

But, before I discuss cooperatives further, I want to talk to you about the Department of Agriculture's role in President Carter's expanded efforts to bring inflation under control.

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Excerpts from remarks prepared for delivery by Secretary of Agriculture Bob Bergland before the annual meeting of AGWAY, Syracuse, New York, October 27, 1978

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Tuesday night, the President acknowledged that there is no single solution to this problem which threatens the economic strength and recovery that our country has made in the last 21 months. President Carter said that our fight can only be won by tough, often unpopular government decisions and by the voluntary cooperation and restraint of the American people.

I agree totally with the President. As Secretary of Agriculture, I will do everything within my power to support and assist the President in implementing new anti-inflation programs.

Farmers are among the biggest consumers in the United States, and they have been hit as hard, if not harder than any other segment of our society. They have suffered greatly because of the inflationary price spiral on farm supplies, machinery, and other services that are essential to producing food.

A review of the last 11 years shows that inflation continues to bite deeply into all farmers' pocketbooks.

Since 1967, farm prices have increased 114 percent. Prices paid by farmers for fuels, for fertilizer, for equipment, and other critically needed items have increased 130 percent.

We have made substantial progress in the last year in reversing this. Since last September, prices received by farmers for all commodities have increased 25 percent, while prices paid by farmers for the tools of production have increased 11 percent.

Under the President's new programs, farm commodity prices are excluded from the price standards, because we recognize that they are influenced to a great degree by weather, disease and other uncontrollable factors.

It is because of this volatility in farm prices that we have laws that provide farmers with price and income protection. The set-asides, the commodity loan program, and the farmer-owned grain reserve have helped moderate the affects of "boom and bust" prices.

As a part of the President's anti-inflation strategy, the Department of Agriculture will have a key role in monitoring food prices. We will be assisting the President's Council on Wage and Price Stability in identifying the sources of food price pressures and the causes, and we will work to identify solutions to those inflationary increases.

We will work to ensure that any declines in raw agricultural prices are reflected in lower retail prices through our monitoring of margins within the food industry.

The Department of Agriculture will be a member of a special Presidential council that will review all government regulations to determine if their benefits justify their costs. If they do not, we will modify them, or wherever possible eliminate them.

We will be deeply involved in the President's recommendations to the Congress on transportation, because we know how critical this is to our food and agriculture industry.

Above all, I want you to know that we will not abandon our sound agricultural policies or take any actions that would have the effect of halting the economic growth that we've made in our agricultural economy in the last 21 months.

Cooperatives are one of the important ways that farmers can fight inflation. Cooperatives have provided farmers with essential farm supplies for producing food at prices that people can afford.



Cooperatives have diversified and become strong competitors in many product areas, particularly fuels, chemicals, and fertilizer. They have expanded refining capacity and greatly strengthened distribution facilities for farmers. Because of co-ops, farmers have gained efficiencies in buying that they did not have individually.

Cooperatives have provided greatly needed competition in the marketing of farm products. Where there was only one buyer for farm products before, co-ops were formed and have provided another. Cooperatives have made many of the innovative changes in marketing that have helped farmers get a better price for their products.

Cooperatives have helped America's farmers establish a good sales reputation throughout the world by providing high quality products. AGWAY members have benefitted directly from this reputation. Your management has made that important decision to sell directly in international markets.

In recent years your cooperative has exported potatoes, vegetable seeds and livestock feed among other products to Canada, Japan, Africa, South America and other countries.

Today, 72 U.S. cooperatives are direct exporters. They account for only slightly more than 9 percent of all U.S. agricultural exports. The value of these cooperative exports is just over \$2 billion.

I applaud what you and other farm cooperatives have done to sell products directly to other countries, but I also challenge you to do more.

One opportunity to make greater progress in direct exporting is at an upcoming international cooperative trade conference in New York City November 13 - 14.

This conference is right on target with our intensified programs to increase total U. S. agricultural exports. It is one of the first meetings held in the United States that is designed to stimulate immediate sales between U.S. farm cooperatives and cooperatives from over 20 nations around the world.

I think farmers recognize the importance of exports on a direct basis. I am equally, certain that they would strongly support their cooperatives participating in these sessions.

Cooperatives should become more involved in direct exports. What has been done until now is a good start, but it is only a start.



The possibilities of expanded trade are limitless. Your greater involvement will stimulate competition. It will help farmers. It will help consumers. It will help our nation.

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